
**Your Rights and Benefits
as a Displaced
Business, Farm, or
Nonprofit Organization
Under the California
Department of Transportation
Relocation Assistance Program**



California Department of Transportation

Uniform Relocation Assistance
and Real Property Acquisition
Policies Act of 1970
As Amended April 2, 1987

Declaration Of Policy

“The purpose of this title is to establish a **uniform policy for fair and equitable treatment** of persons displaced as a result of federal and federally assisted programs in order that such persons **shall not suffer disproportionate injuries** as a result of programs designed for the benefit of the public as a whole.”

While every effort has been made to assure the accuracy of this booklet, it should be understood that it does not have the force and effect of law, rule, or regulation governing the payment of benefits. *Should any difference or error occur, the law will take precedence.*

Information for Businesses, Farms, and Nonprofit Organizations

Relocation Services

The California Department of Transportation has two programs to aid businesses, farms and nonprofit organizations which must relocate. These are:

1. The Relocation Advisory Assistance Program, which is to aid you in locating a suitable replacement property, and
2. The Relocation Payments Program, which is to reimburse you for certain costs involved in relocating.

Both programs are briefly described in this brochure so that you may know the benefits which you may be entitled to receive and how they are obtained. A Relocation Advisor for the Department of Transportation is available to explain the programs and to assist you. You may secure help by writing, telephoning, or visiting the local office of the Department.

Relocation Advisory Assistance

What It Does

The Department of Transportation will assist you in searching for a new place to conduct your business, nonprofit, or farm operation. A Relocation Advisor will be assigned to you for this purpose. He/she can obtain current lists of properties offered for sale or rent that may be suitable for your business, farm, or nonprofit organization. Information and maps concerning available properties, typical real estate purchase and rental costs, and the services offered by other agencies in the area may also be available.

Some Important Definitions...

Business Any lawful activity, with the exception of a farm operation, conducted primarily for the purchase, sale, lease, and rental of personal or real property, or for the manufacture, processing, and/or marketing of products, commodities, or any other personal property; or for the sale of services to the public; or solely for the purpose of this Act, an outdoor advertising display or displays, when the display(s) must be moved as a result of the project.

Farm	Any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale and home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.
Nonprofit Organization	A public or private entity that has established its nonprofit status under applicable law.

How to Obtain Help

To obtain this service, please contact your Relocation Advisor. If you find a replacement property without assistance, you must contact your Relocation Advisor before arranging for your move. This will prevent loss of payment of your moving and/or related expenses.

Relocation Payments

THERE ARE THREE types of payments to which you may be entitled. They are: (1) Moving and Related Expenses; (2) Reestablishment Expenses; or (3) In Lieu Payments.

To qualify for these payments, you must legally occupy the property at the time the first personal contact is made with the owner of the property (where price and a written offer to purchase are discussed) or at the time the Department acquires title or possession.

NOTE: California law allows for the payment for lost goodwill that arises from the displacement for a public project. California State law and the federal regulations covering relocation assistance provide that no payment shall be **duplicated** by other payments being made by the displacing agency. There can be offsets of duplicate payments that might be made as part of a payment for lost goodwill and a similar payment included as an eligible cost under the relocation assistance program.

Types of Payments

Actual Reasonable Moving Costs

Including

- Personal Property Losses
- Expenses in Finding a Replacement Location
- Reestablishment Expenses

OR

Fixed Payment in Lieu of Moving Costs, Etc.

From

- \$1,000 up to \$20,000 Equal to Average Annual Net Earnings

Moving Cost Reimbursement: Businesses, Farms, and Nonprofit Organizations

Owners or tenants may be paid on the basis of actual reasonable moving costs and related expenses or, under certain circumstances, a fixed payment.

- A. **Actual reasonable moving expenses** may be paid when the move is performed by a professional mover or if you move yourself; and

Related expenses, such as personal property losses, expenses in finding a replacement site, and reestablishment expenses, may also be reimbursable; or

- B. **Fixed payment in lieu of moving costs.** You may be eligible for a fixed payment of not less than \$1,000 nor more than \$20,000 in lieu of the payments listed in A above. The fixed payment is based on a two-year average of the annual net earnings of a business or farm operation. To qualify for a fixed payment, certain conditions must be met. If you represent a nonprofit organization, this payment is computed differently. Contact your relocation counselor for more details.

Two Ways to Move Your Enterprise

By Professional Mover

You may be paid the actual reasonable and necessary costs of your move when the move is performed by a professional mover. All of your moving costs must be supported by paid receipts or other evidence of expenses incurred. In addition to the transportation costs of your personal property, certain other expenses may also be reimbursable, such as packing, crating, unpacking and uncrating, and the disconnecting, dismantling, removing, reassembling, and reinstalling relocated machinery, equipment, and other personal property. Other expenses such as professional services necessary for planning and carrying out the move, temporary storage costs, and the cost of licenses, permits and certifications may also be reimbursable. This is not intended to be an all-inclusive list of moving related expenses. Your relocation counselor can provide you with a complete explanation of reimbursable expenses.

By Self-Move

If you agree to take full responsibility for all or part of the move of your business, farm, or nonprofit organization, the Department may approve a payment not to exceed the lower of two acceptable bids obtained by the Department from qualified moving firms or a qualified Department staff employee. A low-cost or uncomplicated move may be based on a single bid or estimate at the Department's discretion. The advantage of this moving option is the fact that it relieves the displaced business, farm, or nonprofit organization operator from documenting all moving expenses. The Department may make the payment without additional documentation as long as the payment is limited to the amount of the lowest acceptable bid or estimate. Other expenses, such as professional services for planning, storage costs, and the cost of licenses, permits, and certifications may also be reimbursable.

Direct Losses of Tangible Personal Property

Displaced businesses, farms, and nonprofit organizations may be eligible for a payment for the actual direct loss of tangible personal property which is incurred as a result of the move or discontinuance of the operation. This payment will be based upon the value of the item for continued use at the displacement site less the proceeds from its sale or the estimated cost of moving the item, whichever is the lesser.

Your Relocation Advisor will explain this procedure in detail if you are faced with this problem.

Purchase of Substitute Personal Property

If an item of personal property, which is used as part of the business, farm, or nonprofit organization, is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site, the displacee is entitled to payment of the lesser of:

1. The cost of the substitute item, including installation costs at the replacement site, minus any proceeds from the sale or trade-in of the replaced item; or
2. The estimated cost of moving and reinstalling the replaced item, based on the lowest acceptable bid or estimate obtained by the Department for eligible moving and related expenses, but with no allowance for storage.

Searching Expenses for Replacement Property

Displaced businesses, farms, and nonprofit organizations are entitled to reimbursement for actual reasonable expenses incurred in searching for a replacement property, not to exceed \$1,000. Expenses may include transportation, meals, and lodging when away from home; the reasonable value of the time spent during the search; fees paid to the real estate agents, brokers or consultants; and other expenses determined to be reasonable and necessary by the Department.

Reestablishment Expenses

A business, farm or nonprofit organization may be eligible for a payment, not to exceed \$10,000, for expenses actually incurred in relocating and reestablishing the enterprise at a replacement site. To qualify, the business, farm or nonprofit organization must have not more than 500 employees working at the site being affected who will be displaced by a program or project.

Reestablishment expenses may include, but are not limited to, the following:

1. Repairs or improvements to the replacement real property required by Federal, State or local laws, codes or ordinances.
2. Modifications to the replacement real property to make the structure(s) suitable for the business operation.
3. Construction and installation of exterior signing to advertise the business.

4. The cost of installing utilities from the right-of-way line to the structure(s) or improvements on the replacement site.
5. Redecoration or replacement such as painting, wallpapering, panelling or carpeting when required by the condition of the replacement site or for aesthetic purposes.
6. The cost of licenses, fees and permits when not covered as a moving expense.
7. Marketing studies, feasibility surveys and soil testing.
8. Advertising the new business location.
9. Professional real estate services needed for the purchase or lease of a replacement site.
10. The estimated increased costs of operation at the replacement site during the first two years for items such as:
 - Lease or rental charges
 - Personal or real property taxes
 - Insurance premiums, and
 - Utility charges (excluding impact fees).
11. One-time assessments or impact fees for anticipated heavy utility usage.
12. Other items that the Department considers essential for the reestablishment of the business or farm.

Fixed Payment (In Lieu)

Displaced businesses, farms, and nonprofit organizations may be eligible for a fixed payment in lieu of (in place of) actual moving expenses, personal property losses, searching expense, and reestablishment expenses. The fixed payment may not be less than \$1,000 or more than \$20,000.

For a business to be eligible for a fixed payment, the Department must determine the following:

1. The business owns or rents personal property that must be moved due to the displacement.
2. The business cannot be relocated without a substantial loss of existing patronage.
3. The business is not part of a commercial enterprise having more than three other businesses engaged in the same or similar activity which are under the same ownership and are not being displaced by the department.
4. The business contributed materially to the income of the displaced business operator during the two taxable years prior to displacement.

Any business operation that is engaged solely in the rental of space to others is not eligible for a fixed payment. This includes the rental of space for residential or business purposes.

Eligibility requirements for farms and nonprofit organizations are slightly different than business requirements. If you are being displaced from a farm or you represent a nonprofit organization and are interested in a fixed payment, please consult your relocation counselor for additional information.

The Computation of Your Fixed Payment (In Lieu)

The fixed payment for a displaced business or farm is based upon the average annual net earnings of the operation for the two taxable years immediately preceding the taxable year in which it was displaced.*

Example:

1991	1992	1993
Annual Net Earnings	Annual Net Earnings	Year Displaced
\$16,500	\$18,500	

AVERAGE:

$$\$16,500 + \$18,500 = \$35,000 \div 2 = \$17,500$$

$$\$17,500 = \text{Fixed Payment}$$

* Or that two-year period deemed more representative by the Department.

The computation for nonprofit organizations differs in that the payment is computed on the basis of average annual gross revenues less administrative expenses for the two-year period specified above.

You must provide the Department with proof of net earnings to support your claim. Proof of net earnings can be documented by income tax returns, certified financial statements, or other reasonable evidence of net earnings acceptable to the Department.

Before You Move

- A. Complete the form entitled "Request for Determination of Entitlement." Your Relocation Advisor will provide this form and assist you.
- B. Mail or deliver the form to your Relocation Advisor.
- C. Furnish a written statement of the reasons the business cannot be relocated without a substantial loss in net earnings.
- D. Furnish certified copies of tax returns for the two tax years immediately preceding the tax year in which you move.
- E. You will be notified of the amount you are entitled to after the application is received and approved.
- F. You must then vacate the premises at your own expense before payment can be made.

After Moving

- G. Complete claim form "Claim for payment in lieu of moving expense" and mail or personally deliver it to your Relocation Advisor.

Your Right of Appeal

The Uniform Act provides that a person may appeal to the head of the responsible agency if the person believes that the agency has failed to properly determine the person's eligibility for, or the amount of, a payment authorized by the Act. If you indicate your dissatisfaction, either verbally or in writing, the Department will assist you in filing an appeal and explain the procedures to be followed. You will be given a prompt

and full opportunity to be heard. You have the right to be represented by legal counsel or other representative in connection with the appeal (but solely at your own expense).

The Department will consider all pertinent justifications and materials submitted by you and other available information needed to ensure a fair review. The Department will provide you with a written determination resulting from the appeal with an explanation of the basis for the decision. If you are still dissatisfied with the relief granted, the Department will advise you that you may seek judicial review.

Additional Information

Moving expenses and relocation payments are not considered as income for the purpose of personal income tax laws. Furthermore, these payments are not considered income or resources to recipients of public assistance. These payments are made as soon as possible from the date that your completed claim is received by your Relocation Agent.

This brochure is a general description of the Relocation Assistance Program and is not intended as a complete statement of all the State laws and regulations which, if not complied with, could cause loss of or reduction in the amount of relocation benefits a person might otherwise receive. Loss of eligibility may occur if you sell or move from your property without first contacting your Relocation Agent.

Additional information regarding the Relocation Assistance Program can also be obtained from your Relocation Advisor.

Important Notice

You will not be eligible to receive any relocation payments until the State has actually made the first written offer to purchase the property. You will also receive at least 90 days' written notice before you must move.

Do not spend money for moving or relocation expenses without first contacting your Relocation Advisor. He/she will advise you of your eligibility for payment, if any, and will furnish you with the necessary claim form.

This is a general information brochure only and is not intended to give a detailed description of either the law or regulations pertaining to the Relocation Assistance Program.

Nondiscrimination

All services and/or benefits will be administered to the general public without regard to race, color, national origin, or sex in compliance with Title VI of the 1964 Civil Rights Act (42 USC 2000d. et seq.).

NOTES



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